



Australian Financial Solutions Group

**Australian Financial Services Licensee  
number: 341401**

## **FINANCIAL SERVICES GUIDE (FSG) V11 1 January 2020**

**Australian Financial Solutions Group (AFSG) has produced and authorised the distribution of this Financial Services Guide by its Authorised Representatives.**

### **FINANCIAL SERVICES GUIDE**

This Financial Services Guide (FSG) outlines the financial planning services we provide as your financial adviser and as an authorised representative of Australian Financial Solutions Group (AFSG).

It is an important document which will help you decide if you want to use the services being offered. It contains information about:

AFSG, the services offered; how financial advice is documented; how we, AFSG and other relevant persons are remunerated in relation to the services; and who to contact if you have a complaint or if you are not satisfied with the services provided.

You must read all sections in order to make an informed decision about whether to use the financial services we offer.

We are required to provide you with a Financial Services Guide prior to giving you any financial advice.

### **WHO IS AFSG?**

AFSG is a boutique financial planning dealer group which has been established to provide quality advisers with the business support required to run successful practices. We believe Advisers who are highly qualified and manage efficient professional practices, will provide a higher quality advice solution to their clients. AFSG also provides an extensive range of advice capabilities and product solutions for our advisers to ensure clients are provided with the advice solution which is appropriate for their personal financial situation.

AFSG holds an AFSL issued by the Australian Securities and Investments Commission. As an Authorised Representative, we act on behalf of AFSG when providing the financial services, we are authorised to provide under AFSG's AFSL.

Further information on these services is set out in the "who is my adviser" section of this document.

As the holder of an AFSL, AFSG is responsible for the financial services we provide to you. AFSG acts on its own behalf when these financial services are provided to you.

### **Why choose an AFSG Financial Adviser?**

AFSG has a long history of helping Australians reach their financial and lifestyle goals.

### **Who will be providing the financial service to me?**

Licensee: Australian Financial Solutions Group Pty Ltd  
ACN: 138 821 637

**Australian Financial Services Licence Number: 341401**

**Address:** Level 6, 30 -34 Charles Street, South Perth WA 6151  
Phone: (08) 9200 2795 Email: admin@afsg.net.au

### **Who is my adviser?**

Your adviser, **Peter Collins** is an Authorised Representative (ASIC Number: 297628) of Australian Financial Solutions Group Pty Ltd and is authorised to provide financial services to you on our behalf.

Peter Collins is a Director of EKSFS Pty Ltd (trading as EKS Financial Solutions) which is also a Corporate Authorised Representative of Australian Financial Solutions Group Pty Ltd (ASIC number 342337).

**Address:** Level 6, 30 -34 Charles Street, South Perth WA 6151  
Phone: (08) 9200 2795 Email: peter@afsg.net.au

Peter has over 16 years of experience in the provision of Financial Planning advice. Peter attained a Bachelor of Arts through Edith Cowan University in 1990 and also has a Professional Master of Financial Planning through Curtin University of Technology.

### **What areas is your financial adviser authorised to provide advice on?**

I am authorised by Australian Financial Solutions Group Pty Ltd to provide general and personal advice and deal in financial products and financial services, including advice or services in the following areas:

- Deposit products;
- Government debentures, stocks or bonds;
- Life investment and life risk products;
- Managed investment schemes including investor directed portfolio services;
- MDA services
- Standard margin lending facilities;
- Retirement savings account products;
- Securities (e.g. shares); and
- Superannuation products

### **Are there any services your financial adviser is not authorised to provide?**

I am not authorised by Australian Financial Solutions Group Pty Ltd to provide advice or services in the following areas:

- Derivatives;
- Consumer credit advice and assistance
- Finance broking

### **An extensive list of approved products**

AFSG has an extensive Approved Product List. This means we are not limited to recommending products from an organisation when choosing an appropriate product to suit your objectives, financial situation and needs. The recommendations will be made after conducting an investigation into the financial products and may require us to consider a product that is not on the Approved Product List. All products on the Approved Product List are supported by research from external and/or internal research experts. We conduct due diligence on external research report providers that provide us with research. Should we consider it in your interests to use a non Approved Product, we follow AFSG's review and approval process to ensure the product is appropriate for your circumstances.

AFSG has established a Risk Partner Program with various life insurance underwriters, which provides support and resources to AFSG's Authorised Representatives to assist them in the delivery of life insurance advice.

AFSG ensures its Authorised Representatives:

- are only authorised to provide services to you where appropriate qualifications are held;
- stay up to date with relevant industry and legal changes to maintain advice credentials and capabilities;
- are provided with excellent technical support and tools to provide financial planning advice;
- are provided with high quality financial product research; and
- are monitored and supervised to ensure they comply with the requirements of the law and AFSG's standards.

### **Protecting your assets**

AFSG and its Authorised Representatives promote long-term investment strategies which do not take unnecessary risks with your investments. For this reason, AFSG Authorised Representatives are not permitted to switch your investments frequently or make speculative investments in products such as tax-driven schemes or unregulated products.

AFSG Authorised Representatives are also restricted to AFSG's Approved Product List unless they consider it is in your interests to recommend a product that is not on the Approved Product List, in which case they will follow AFSG's review and approval process to ensure the product is appropriate for your circumstances.

To further protect your interests, except in limited circumstances permitted by AFSG and where agreed by you, AFSG does not allow its Authorised Representatives to:

- act as a trustee or operate a trust account on behalf of clients;
- hold a Power of Attorney (other than specific authorities or via a Limited Power of Attorney in relation to the provision of Managed Discretionary Account Services);
- hold funds or have access to withdraw client funds;
- act on behalf of any other Australian Financial Services Licence holder; or
- ask clients to sign documents which have not been fully addressed or completed.

#### **How do we ensure that the advice we give you suits your needs and objectives?**

To ensure your adviser provides personal advice that is appropriate, we firstly need to understand your objectives, financial situation and needs. Your adviser (referred to as 'we' below) will follow a step-by-step process as outlined below:

- 1.) We will meet with you for an initial consultation. During this meeting we will discuss your expectations and provide you with details of the services we can offer.
- 2.) We will collect all the information we need from you, including your objectives, financial situation and needs. If you do not wish to provide the information we require, we will advise you of the possible consequences of not disclosing all of this information and the impact on the recommendations given. This may include not being able to provide advice on the subject matter you request.
- 3.) We will help you identify your goals and may discuss your attitude towards investment risk.
- 4.) We may consider strategies and areas such as income, social security, insurance, cash and estate planning requirements. Where we recommend a financial product, we will also conduct a reasonable investigation of the financial products that may be suitable to implement the strategies as part of the recommendations. Based on these and other considerations, we will prepare and present you with a written SoA, or in some cases depending on the circumstances, an Ro[F]A. We will explain in the SoA (or Ro[F]A) the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice.

Where we recommend financial products, we will provide you with a PDS or other disclosure document containing information about each product recommended, to help you make an informed decision about whether to invest in or acquire that product.

- 5.) We will discuss our recommendations with you, make any changes you require and ask you whether you would like us to implement those recommendations on your behalf.
- 6.) If you agree, we will then implement those recommendations.
- 7.) We will meet with you periodically to review your financial circumstances if we agree to an ongoing advice service arrangement which includes a regular review component. If an ongoing advice service arrangement is entered into, this will be documented in your Ongoing Advice Service Arrangement Letter and/or SoA. Where you have entered into an ongoing fee arrangement after 1 July 2013, we will renew your arrangement with you at a minimum of every two years.

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further.

In certain circumstances, we may not provide you with personal advice via a SoA or Ro[F]A, as outlined above. These circumstances may include:

- 1.) Where we provide you with only general advice, such as through seminars and newsletters;
- 2.) When we are acting under a Managed Discretionary Account (MDA) Service which allows us to manage investments on your behalf, once you have accepted this service in a SoA.
- 3.) Further advice or verbal advice – if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a Ro[F]A. We will not necessarily provide you with a copy of the Ro[F]A unless you request it (see below).

#### **What documents do you get if I provide further advice?**

Where a further review is conducted and personal advice is provided, in some circumstances we are not required to provide you with a SoA for this further advice. Where this is the case, if you have not already been provided with a Ro[F]A, you may request a copy of the Ro[F]A from us by contacting us for a period of seven years from when the further advice was first provided to you

#### **When will I receive a PDS?**

Together with your SoA, you may also be provided with a PDS at the time you are provided with advice. You will be provided with a PDS either electronically, via USB, disk or as a printed document or documents.

The PDS includes important information in relation to the product recommended including the features, benefits, risks and fees associated with the product.

You should only implement advice after taking the time to read and understand the SoA and PDS and should contact us if you have any questions about the SoA or PDS.

#### **Other services**

We may provide services other than financial planning services. For example, we may also act as your accountant or legal adviser, or advise you on real estate investments. While we may provide these other services you should understand that these other services are not provided under AFSG's AFSL and AFSG does not train, support or supervise the provision of these other services and has no responsibility in relation to those services.

Examples of the services which AFSG is not responsible for include:

- general insurance services (for example, car insurance);
- real estate and direct property advice;
- taxation services, such as completion of tax returns;
- accounting and audit services;
- legal services;
- Mortgage broking/credit activities;
- consulting services.

#### **WHAT REMUNERATION AND BENEFITS RELATING TO FINANCIAL SERVICES**

##### **How am I paid for financial services I provide?**

I receive a salary as an employee of EKS Financial Solutions.

I am a Director of EKS Financial Solutions. Fees and commissions are paid to EKS Financial Solutions by Australian Financial Solutions Group for distribution to me. I also receive profits from EKS Financial Solutions.

##### **What fees are charged for initial advice?**

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you.

We will discuss these fees with you and gain your agreement on the fees before we charge you these fees.

##### Initial Advice Fees:

Fees are charged for my initial advice and the preparation of a Statement of Advice (SoA). Fees are based on the complexity of the advice provided and range from \$1,250 (minimum) to \$5,500 (maximum) inclusive of GST. I will provide an estimated cost, which we will agree on before commencing any work.

You may be sent an invoice and payment is required within 14 days from the invoice date and/or you may agree to have the applicable fee taken deducted from a product which has been implemented. Please note that my initial advice fees still apply where you decide not to implement my advice.

##### **What fees are charged for subsequent services?**

Ongoing administration and advice services may also be provided to you to ensure the strategy and products recommended continue to meet your objectives, needs and financial situation. If you choose to receive ongoing services, you may be charged a fee based on the scope of the services you receive and/or the value of your account balance or insurance premiums. The amount of these will be agreed with you.

This fee may be deducted from your account each month or payable directly to us. You may continue to be charged the agreed ongoing services fee until you notify us you no longer require ongoing services.

##### **Ongoing Service Fees:**

Fees for ongoing services and reviews are all based on an annual fee, based on a flat dollar fee negotiated between you the client, and myself the adviser, or up to an annual rate of 1.1% per annum of the funds under advice. For example, if you have \$100,000 invested, my annual fee will be a minimum of \$1,100.

**NOTE:** Full details of all fees and commissions for Financial Services will be provided to you in a Statement of Advice (SoA), or Record of Further Advice (RoFA) and Product Disclosure Statements at the time of receiving any recommendation.

##### **Commissions received from product providers**

Upfront or ongoing commissions from insurance providers may be received by AFSG. AFSG may also receive initial and/or ongoing commissions from product providers in relation to other financial products under an arrangement that began prior to 1 July 2013.

An upfront commission is a one-off payment paid by the product provider based on a percentage of the amount of funds you invest, the insurance premium you pay or the size of the margin loan you take out.

This is paid at the time you purchase the investment or insurance or take out the margin loan.

### Life Insurance Products

Initial and ongoing commissions from insurance providers may be received by AFSG. These commissions are paid to AFSG by the company that issues the product that AFSG Advisers recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product.

The initial commission is paid in the first year by the product issuer to AFSG. Ongoing commissions are payments paid by product issuers to AFSG in the years after the first year. These commissions are passed onto "the adviser" or nothing at all depending what is applicable to the circumstances.

If you initiate an increase to your cover, AFSG may receive initial and ongoing commissions on the increase to your policy cost. The ongoing commission on a client initiated increase is only paid in respect of the period that starts from the first anniversary of the increase.

If the initial commission is equal to the ongoing commissions (as a percentage of your policy cost), AFSG may receive up to 30.00% (excl. GST) of your annual policy cost. If the initial commission is higher than the ongoing commissions, the maximum commission that Insert Licensee Name may receive is set out in the table below:

Date a new product is issued	Initial commission (% of annual policy cost or increase excl. GST)	Ongoing commission pa (% of annual policy cost or increase excl. GST)
Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 - 140%	0 - 38.5%
1 January 2018 - 31 December 2018*	0 - 80%	0 - 20%
1 January 2019 - 31 December 2019*	0 - 70%	0 - 20%
From 1 January 2020*	0 - 60%	0 - 20%

\* AFSG may receive the pre 1 January 2018 commission rates above from the product issuer if:

- > your policy was issued before 1 January 2018 and you exercise an option to establish new or additional cover under your policy after 1 January 2018; or
- > your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct an administrative error.

### Example

You have an existing policy with us, issued in 2017, and in 2018 you decide to increase the cover on that policy with a corresponding increase in policy cost of \$100 pa. AFSG may receive up to \$140 (140% excl. GST) as initial commission on that increase and may pass up to \$140 pa to "the adviser". The ongoing commission payable to AFSG in respect of this increased policy cost may be up to \$38.50 (38.5% excl GST).

Or, we recommend an insurance product to you and it is issued on 2 April 2018. The annual policy cost is \$450. AFSG may receive up to \$360 (80% excl. GST) as an initial commission and may pass up to \$360 to "the adviser". Assuming the policy cost stays the same each year, AFSG may receive up to \$90 pa (20% excl. GST) as an ongoing commission and may pass up to \$90 pa to "the adviser".

From 2 September 2018, you decide to increase your insurance cover. The cost of this increased cover is \$100. The initial commission payable to AFSG in respect of this increase will be up to \$80 (80% excl. GST) as the increase has occurred in 2018. The ongoing commission payable to AFSG in respect of this increased policy cost will be up to \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 September 2019).

From 2 September 2020, you decide to increase your insurance cover again. The cost of this increased cover is \$100. The initial commission payable to Insert Licensee Name in respect of this increase will be up to \$60 (60% excl. GST). The ongoing commission payable to AFSG in respect of this increase will be up

to \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 September 2021). These commissions may be passed onto "the adviser".

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide you. Where personal advice is provided to you, you'll also find details of the commission that AFSG and we are entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

In addition, AFSG may receive benefits as part of the Insurance Partner Program in the form of education, training and other support and resources to assist in the delivery of life insurance advice. Participants in the Insurance Partner Program may pay a fee to AFSG. Participants may be given the opportunity to provide training about their life insurance products. The total amount of fees, or the fees that may be paid by each individual life insurance product provider, will depend upon the commercial arrangements that may be negotiated from time to time between AFSG and each product provider. These payments will not change the amount of the policy cost payable by you.

### Do I provide referrals for certain financial services or receive referrals from third parties? If so, what benefits do I receive from these referrals?

I will not make or receive a payment for making a referral to an external specialist such as an accountant or solicitor.

If you have been referred to me by an external party and you accept the services I provide, there will not be a payment made to the external party for that referral.

### What arrangements may influence our advice to you?

AFSG's Approved Product List does not include any products that AFSG may receive a benefit from other than disclosed fees and/or commissions.

### Other benefits

We and AFSG may also receive additional benefits such as help with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events that are below \$300. These benefits that are between \$100 and \$300 in value, and other benefits, that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes, are recorded in a register which meets legislative requirements. The AFSG Register is publicly available and AFSG can provide a copy to you for a small charge at your request.

### FURTHER DETAILS ON REMUNERATION AND BENEFITS RELATING TO FINANCIAL SERVICES

When you are provided with personal advice on specific financial products, we will disclose certain details of remuneration (including commission) or other benefits that we receive, or that AFSG or another associated person receives, as a result of that advice (Remuneration or Benefits).

If the Remuneration or Benefits can be calculated at the time you receive personal advice, these amounts will be disclosed at that time, or as soon as practicable after that time in the SOA, ROA or ROFA. If the Remuneration or Benefits cannot be calculated at the time you receive personal advice, we will disclose how these amounts will be calculated instead.

These details will only be disclosed when personal advice is given if the Remuneration or Benefits are reasonably capable of influencing us in providing the advice.

### Do any relationships or associations exist which might influence you in providing me with the financial services?

Neither Australian Financial Solutions Group Pty Ltd, its Authorised Representatives nor any related companies have any association with any product issuer that could be expected to influence us in the provision of the financial services.

### COLLECTING AND DISCLOSING YOUR PERSONAL INFORMATION

We collect personal information, including sensitive information (e.g. health information), from you to provide you with services including financial advice. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

We may disclose your personal information to other members of our organisation, anyone we engage to do something on our behalf such as a service provider, and other organisations that assist us with our business. We may also disclose your personal information to third parties such as a complaints body to whom a complaint relating to a product or service is referred, any party acquiring an interest in our business and anyone acting on your behalf.

We may also collect from the parties listed above any personal information they may hold about you which relates to our provision of financial advice.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) and its corresponding rules and regulations, to implement certain client identification processes. We may be required to obtain information about you at the time of providing financial services to you and from time to time in order to meet our legal obligations. We have certain reporting obligations pursuant to the AML/CTF Act, and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

#### **OTHER IMPORTANT INFORMATION**

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at your request by contacting [admin@afsg.net.au](mailto:admin@afsg.net.au)

It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the *Privacy Act 1988* (Cth), or a registered privacy code and how we will deal with your complaint; and
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

#### **MEETING OUR OBLIGATIONS**

##### **WHAT TO DO IF YOU HAVE ANY CONCERNS ABOUT OUR SERVICES**

Both we and AFSG endeavour to provide you with quality financial advice. If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

- 1.) Contact us first about your concern.
- 2.) If your concern is not resolved to your satisfaction, you may contact AFSG by:

**Writing to:**

National Manager  
Australian Financial Solutions Group Pty Ltd  
Level 6, 30 -34 Charles Street, South Perth, WA, 6151 or  
PO Box 328, South Perth, WA, 6951

**Email:**

[admin@afsg.net.au](mailto:admin@afsg.net.au)

- 3.) If your concern is not resolved, or if you are not satisfied with the decision, you may contact the Australian Financial Complaints Authority (AFCA). AFCA independently and impartially resolves disputes between consumers, including some small businesses, and participating financial services providers.

AFCA provides an independent dispute resolution process covering complaints about financial services including banking, credit, loans, general insurance, life insurance, financial planning, investments, stock broking, managed funds and pooled superannuation trusts. You may contact AFCA by:

**Writing to:**

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

**Email:** [info@afca.org.au](mailto:info@afca.org.au)

**Website:** [www.afca.org.au](http://www.afca.org.au)

**Phone:** 1800 931 678

- 4.) The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring that Australia's financial markets are fair and transparent and is supported by informed investors and consumers alike. ASIC seeks to protect

consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services. You may contact ASIC by:

**Writing to:**

Australian Securities & Investments Commission  
GPO Box 9827  
Your Capital City

**Or**

PO Box 4000  
Gippsland Mail Centre  
Victoria 3841

**Website:**

[www.asic.gov.au](http://www.asic.gov.au)

**Phone:**

1300 300 630

- 5.) The Financial Planning Association of Australia Limited (FPA), is the peak professional body for financial planning in Australia. The FPA provides the leadership and professional framework that enables members to deliver quality financial advice to their clients. All FPA members are bound by professional, technical and ethical standards as provided in the FPA Code of Professional Practice. The FPA has effective and appropriate policies and procedures in place to assist you with your complaint and ultimately help protect consumers and those planners doing the right thing. You may contact the FPA by:

**Writing to:**

The Investigations Manager  
Financial Planning Association of Australia Ltd  
GPO Box 4285  
Sydney NSW 2001

**Website:**

[www.fpa.asn.au](http://www.fpa.asn.au)

**Phone:**

1300 626 393

Before you send your concern to any of these respective bodies, please contact them first to understand the process of lodging your concern with them.

#### **Other Information**

The law requires "AFSG" to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by "AFSG" or its Authorised Representatives. "AFSG" has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

#### **Managed Discretionary Account services**

A Managed Discretionary Account service ('MDA') is a financial service that allows an Australian Financial Services licensee (and its representatives) to invest in financial products on behalf of a client, and/or manage a client's (financial product) investment portfolio, on a discretionary basis.

The discretion can be used to rebalance a client's portfolio, or replace a financial product with another, for a particular reason, without having to contact the client and obtain the client's authority to make the changes.

The MDA service offered by AFSG and me is limited to trading in financial products on your behalf on a regulated investment platform ('Regulated Platform'), using our discretion. If you agree that AFSG and I can manage the portfolio on a discretionary basis, you must enter into a Managed Discretionary Account Services Contract ('MDA Contract') with AFSG and me and direct the Regulated Platform to take instructions from AFSG or me, on your behalf.

The MDA service is optional.

#### **What are the significant risks associated with using our MDA service?**

The discretion involved in an MDA service will allow AFSG and I to make changes to your investments without seeking your prior consent. By giving us the discretion, you are bound by our actions and the changes we make to your investments (as long as the changes are within the limits of the discretion and in accordance with the Corporations Act). It is important you understand what we are authorised to do and carefully read and understand the activities that you are authorising us to perform on your behalf. You should contact us if you have any questions.

Neither AFSG, nor me, nor any related or associated person or body corporate guarantees or makes any representations concerning the future performance of the managed funds, securities (shares), the return of capital, any specific level of performance, the success or tax effect of any strategy AFSG and I may use, or

the success of AFSG and my overall decisions pursuant to the discretion granted by you.

The investment decisions made by AFSG or me are subject to various market, currency, economic, political and business risks, and those investment decisions may not always be profitable and may at times result in losses. There is also a risk that AFSG's investment management and investment decisions will not achieve your expectations and needs. These risks may also affect the value of your investment and the return you may receive.

Actions that AFSG takes pursuant to the discretion may trigger a capital gains tax liability, depending on your personal tax position. You should seek advice about the tax implications that would be applicable to you. If AFSG or I replace one financial product with another, you may be charged a 'Buy/Sell spread' by the platform operator or brokerage and you will lose any other benefits of ownership of the financial product being replaced.

#### How can I give AFSG instructions on corporate actions relating to the financial products in my portfolio?

I will exercise my discretion in relation to the exercise of any rights attaching to your share investments and will not seek your written instructions on how to exercise those rights. Accordingly, you will not have the ability to give us instructions about how to exercise those rights. If you were investing in shares directly and not through a Regulated Platform or MDA service, you would be able to decide how to exercise any rights attaching to the shares

For investments in managed funds, clients do not generally have any rights or entitlements in respect of the underlying investments held by the managed fund. Accordingly, we will not generally have any input into decisions about rights or entitlements (such as corporate actions).

#### Do I have to enter into a contract for you to provide MDA Services?

Yes. Before we can provide you with any MDA services you must first enter into an MDA Contract with AFSG. This contract will set out the terms and conditions of the MDA Service.

#### Who prepares the investment program?

As an Authorised Representative of AFSG, I will prepare and provide to you an MDA Investment Program. The Investment Program is prepared in accordance with the requirements in (which complies with Division 3 of Part 7.7 and Div 2 of Part 7.7A of the Corporations Act) that will be given to you before you enter into the MDA Contract.

#### What information will be included in the MDA Contract and our accompanying Statement of Advice?

We must determine if the MDA is appropriate for you based on your personal circumstances, needs and financial position, and is in your best interests, and give you a written Statement of Advice that includes our recommendations and remuneration disclosure.

The MDA Investment Program will also contain:

- The nature and scope of the discretions that we will be authorised and required to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- Information about any significant risks associated with the MDA Contract and the investment strategy;
- The basis on which we consider the MDA Contract to be suitable for you; and
- Warnings that our MDA service may not be suitable for you if we have formed the view that you have provided us with inaccurate or limited information about your relevant personal circumstances or if your relevant personal circumstances change. It is important that you inform me immediately if your circumstances change.

#### Who is responsible for reviewing the investment program?

We are required to review your investment program to ensure that it remains suitable for you. This review must take place at least once every 13 months. I will contact you to arrange this review.

#### Do you provide custodial or depository services for my portfolio?

We do not provide custodial or depository services. Your assets in the Regulated Platform are held by operator or custodian of the Regulated Platform. We will give the operator instructions in relation to the assets in your MDA service.

BT Portfolio Services Ltd is referred to as 'the Administrator', 'us', 'we' or 'our'. We issue the Investor Guide in Australia. We are also the custodian for Panorama Investments and hold the interests in the assets in your Panorama Investments account (your Panorama Investments account) on trust for you.

As at the date of this Investor Guide, we have appointed The Hong Kong and Shanghai Banking Corporation Limited, Sydney Branch ABN 65 117 925 970 AFSL 301737 (HSBC) (Level 36, Tower 1, International Towers Sydney, 100 Barangaroo Ave, Sydney, NSW, 2000) as the sub-custodian to provide custody services to us in relation to listed securities

In addition:

- You may cancel the MDA service or request changes to the Investment Program at any time by first notifying me in writing.
- For direct share investments only, you may give me discretion to exercising any rights relating to the direct share investments in your portfolio (for example, corporate actions), which are also within my AFSG authorisation. In all other circumstances, I will only act in accordance with your written instructions on how any rights relating to these products in your portfolio are to be exercised.
- To protect your interests, AFSG does not allow me to have authority to withdraw funds from the nominated BT Panorama and/or BT Wrap account(s). Further, I am not authorised to transact funds held outside your nominated BT Panorama and/or BT Wrap account(s) without your specific prior approval.
- As described above, AFSG places certain limits on my discretionary services, such as:
  - I am not permitted to trade on your nominated BT Panorama and/or BT Wrap account(s) in an attempt to make short term gains. All investment decisions must be made with long term goals in mind.
  - I am required to maintain your portfolio within a specified range for each asset class or as further restricted by you.
 These limits on my discretion will be described in more detail in your SoA.
- You will be provided with access to on-line reporting for your nominated, BT Panorama and/or BT Wrap account(s) to view the transactions undertaken on your behalf and the impact on your portfolio. If you do not have internet access you should not accept an MDA service.

#### Fees and costs associated with your MDA service

The actual fees and costs relevant to your MDA investment will be detailed in the SOA that will be given to you.

#### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance, rather than 1%, could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask AFSG or your financial adviser.

#### To find out more

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, the returns on your investment or from the MDA service assets as a whole. You should also seek advice on the tax implications of your MDA portfolio. You should read all of the information about fees and other costs, as it is important to understand their impact on your investment.

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>Fees when your money moves in or out of the MDA service<sup>1</sup></b>		
Establishment fee The fee to open your MDA account	Nil	Not applicable
Contribution fee The fee on each amount contributed to your MDA account	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your MDA account	Nil	Not applicable



Exit fee The fee to close your MDA account	Nil	Not applicable
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#### Management costs

Managed Discretionary Account (MDA) service fee charged as a Portfolio Management Fee (PMF) The fee for managing your investments in accordance with your investment program	\$500	This amount is paid to AFSG at the end of the month from your cash account held in the respective platform.
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Platform fee The fee for administrative, reporting and custodial services	0.15% – 0.59%	This amount is paid to the Regulated Platform operator at the end of the month from your cash account held in the respective platform.
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Fund Manager Fees The fees charged by the managers of the funds in which your MDA account is invested	0.90% – 1.78%	This amount is paid to the managers of the funds in which your MDA account is invested and is reflected in the unit price of the relevant managed fund.
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#### Service fees

Switching Fee The fee for changing investment options	Nil	Not Applicable
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Transaction Fee The fee when the MDA operator switches between one investment to another	\$0	This amount is paid at the same time the switch occurs and deducted from your cash account.
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Brokerage The fee for the execution and settlement of share trades	0.11%–0.20%, Generally with a minimum fee of \$12.50	This amount is paid at the same time the trade occurs and deducted from your cash account.
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- You may also incur a buy/sell spread when your money moves in or out of the MDA service or when the MDA operator buys or sells investments. See 'Buy/Sell spread' under the section, 'Additional explanation of fees and costs' for further details.
- Abnormal expenses (if any) and transactions costs will generally be paid by the MDA service. See 'Expenses' under the section 'Additional explanation of fees and costs' for further details.

All fees in the table above are shown inclusive of GST, net of Reduced Input Tax Credits ('RITC'). Additional fees and charges may apply. See 'Additional explanation of fees and costs' below for further information.

The information in the table above can be used to compare costs between the MDA service and different simple managed investment products (Managed Funds). ASIC provides a calculator on its website [www.moneysmart.gov.au](http://www.moneysmart.gov.au). The calculator can be used to calculate the effect of fees and costs on account balances.

#### Example of annual fees and costs of the MDA service

The below table provides an example of how the MDA service fees and costs can affect your investment over a one-year period. You should use this table to compare the MDA service with other MDA services and simple managed investment products (Managed Funds).

The example assumes an account balance of \$250,000 invested in the MDA service with no variation in the value of your investment over this period. In practice, the actual fees we charge are generally based on the value of your investment which may vary daily. This example also assumes that the additional \$5,000 contribution occurs at the end of the relevant period (that is, no management fees are incurred in connection with the additional investment amount).

Example	Fee	Balance of \$250,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged a contribution fee of \$0.
<b>PLUS</b> Management costs	1.47%	And for every \$250,000 you have in the MDA service, you will be charged \$3,665 each year comprising;
<i>Comprising</i> Managed Discretionary Account (MDA) service fee (PMF)	\$500 pa	\$500
Platform fee	0.15% pa + \$540	\$915
Total Fund Manager fee for the portfolio	0.90%	\$2,250
<b>EQUALS</b> cost of MDA service		If you had an investment of \$250,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$3,665 plus any brokerage or transaction costs.  What it costs you will depend on the fees you may be able to negotiate.

#### Notes to example

- You may also incur a buy/sell spread when your money moves in or out of the MDA service. See 'Buy/Sell spread' under the section, 'Additional explanation of fees and costs' below for further information.
- Management costs are calculated using the average Indirect Cost Ratio ('ICR') for the relevant portfolio of the MDA service for the financial year ended 2019. The ICR refers to the management costs that were not paid directly out of your account (for example MDA Service Fees and Platform Fees) but were paid from the MDA service assets over the relevant financial year, expressed as a percentage of the average net asset value of the MDA service. It is not a forecast of the amount of the total management costs in the future. Past performance is not a reliable indicator of future performance, and the amount of the management costs may be higher or lower in the future.
- The calculation of the management costs in the example assumes that the additional \$5,000 invested in the MDA service occurs at the end of the relevant period and therefore no management fees are payable on the additional investment. Additional fees may apply, as well as the abnormal expense recovery. Refer to 'Additional explanation of fees and costs' below for more information.

#### ADDITIONAL EXPLANATION OF FEES AND COSTS

##### Service fee

The management fee generally accrues daily and is payable monthly. It is deducted from the MDA service's assets.

##### Expenses

All properly incurred expenses can be recovered directly from the MDA service. When expenses are paid by the MDA service, they will be deducted from the MDA service assets. Expenses are generally paid when incurred.

##### Administrative expenses

We currently do not / do seek reimbursement from the MDA service for administrative expenses such as custody fees, registry costs, audit, accounting and tax fees, postage and printing costs. Such expenses will be paid by us out of the management fee. We will provide prior notice to investors if we seek to recover these expenses from the MDA service in the future.

##### Abnormal expenses

Abnormal expenses such as the cost of defending legal proceedings and the costs of terminating the MDA service will generally be paid by the MDA service. Abnormal expenses are not generally incurred during the day-to-day operation of the MDA service and may not be incurred in any year. Abnormal expenses are in addition to administrative expenses.

##### Transaction costs

Transaction costs incurred in the acquisition or disposal of the assets of the MDA service such as brokerage, clearing costs, hedging costs, transaction fees,

taxes and stamp duty will generally be paid for by the MDA service. Where the acquisition or disposal of assets relates to a subscription or redemption from the MDA service, the MDA service may recover an estimate of these costs from the investor who is applying for, or redeeming, units through the buy/sell spread.

#### **Buy/Sell spread**

When financial products are acquired, a "buy spread" may be incurred. The buy spread is an amount which reflects the estimated transaction costs associated with acquiring the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the acquisitions on the price of the investments being acquired.

When financial products are disposed of, a "sell spread" is incurred. The sell spread is an amount which reflects the estimated transaction costs of disposing of the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the disposals on the price of the investments being sold.

A buy/sell spread seeks to ensure that the estimated transaction costs of the acquisition or disposal are borne by the investor, and not by the existing investors in the financial product. The buy/sell spread may apply even if no transaction to acquire or dispose of underlying assets is required (for example, where there is an acquisition by one investor and a corresponding disposal by another investor). The buy/sell spread for the MDA service, as at the date of this FSG, ranges between 0.05% and 0.60% for applications and 0.00% and 0.50% for redemptions but may be varied from time to time. In certain circumstances, the buy/sell spread may increase significantly. Notice will not usually be provided for variations to the buy/sell spread.

#### **Information about fee changes**

We may increase certain fees and expenses without your consent. We will provide at least 30 days' notice to you of any proposed increase in fees, charges or expenses (except any changes to the buy/sell spread).

The maximum fees we may charge (exclusive of the net effect of GST) are:

- a maximum contribution fee of 0.00% of the investment amount;
- a maximum redemption fee of 0.00% of the redemption amount;
- a maximum management fee of 1.18% pa of the value of the assets of the MDA service, and
- a maximum switching fee of 0.00% of the value of the investment switched.

Additional fees may be paid by you to me as your Adviser. You should refer to the SoA provided by me for details of those fees.